

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

**UNITED STATES OF AMERICA** : **CRIMINAL NO.** \_\_\_\_\_  
**v.** : **DATE FILED: April 12, 2011**  
**WILLIAM A. NEAL** : **VIOLATIONS:**  
: **18 U.S.C. § 371 (conspiracy to defraud**  
: **the United States - 1 count)**  
: **26 U.S.C. § 7206(2) (assisting in**  
: **preparation of false tax return - 4 counts)**

**INDICTMENT**

**COUNT ONE**

**THE GRAND JURY CHARGES THAT:**

At all times material to this indictment:

**THE PARTICIPANTS**

1. In or about 2001, defendant WILLIAM A. NEAL formed a tax preparation business called Strawberry Mansion Financial (“SMF”). NEAL ran this business out of his home until September 2005, when he moved the business to 2630 Cecil B. Moore Avenue in Philadelphia, Pennsylvania.

2. From about 2001 to in or about April 2007, defendant WILLIAM A. NEAL employed and trained several tax preparers at SMF, including O.N. and V.W., persons known to the grand jury, whom NEAL trained in tax preparation.

**THE CONSPIRACY**

3. From at least April 2004 to in or about April 2007, in the Eastern District of Pennsylvania, the defendant

**WILLIAM A. NEAL**

conspired and agreed, together and with O.N., and others known and unknown to the grand jury, to commit an offense against the United States, that is, to defraud the United States by impeding, impairing, obstructing, and defeating the lawful functions of the Internal Revenue Service of the Department of the Treasury in the ascertainment, computation, assessment, and collection of approximately \$117,000 in taxes.

#### **MANNER AND MEANS**

4. It was part of the conspiracy that defendant WILLIAM A. NEAL and O.N. agreed to fraudulently reduce the tax liability of SMF clients and/or fraudulently provide larger refunds to SMF clients by falsely entering inflated deductions on clients' Schedules A (Itemized Deductions) and Forms 2106 (Employee Business Expenses) of their individual federal income tax returns.

It was further part of the conspiracy that:

5. Defendant WILLIAM A. NEAL instructed O.N. and V.W. to enter a charitable contributions deductions on Schedule A for clients that were approximately 10% of the clients' income, regardless of the clients' actual charitable contributions.

6. Defendant WILLIAM A. NEAL instructed V.W. to prepare a client's Form 1040 (U.S. Individual Income Tax Return), Schedule A, and Form 2106 by using the same numbers from the client's Form 1040, Schedule A, and Form 2106 from the previous year.

7. Defendant WILLIAM A. NEAL used "plug figures" for SMF clients' expenses on their Schedules A, including \$1,820 for uniforms and \$200 for safety shoes, regardless of the client's actual expenses.

## OVERT ACTS

In furtherance of the conspiracy, defendant WILLIAM A. NEAL and O.N., and others known and unknown to the grand jury, committed the following overt acts in the Eastern District of Pennsylvania and elsewhere:

1. On or about April 15, 2005, defendant WILLIAM A. NEAL falsely reported unreimbursed employee expenses in the amount of \$2,292 for D.R., a person known to the grand jury, on Form 2106 of her individual federal income tax return for calendar year 2004.
2. On or about April 15, 2005, defendant WILLIAM A. NEAL falsely reported charitable contributions in the amount of \$4,275 by K.R., a person known to the grand jury, and D.R. on Schedule A of their individual federal income tax return for calendar year 2006.
3. On or about April 15, 2006, defendant WILLIAM A. NEAL falsely reported unreimbursed employee expenses in the amount of \$4,362 for J.S.G., a person known to the grand jury, on Form 2106 of her individual federal income tax return for calendar year 2005 .
4. On or about April 15, 2006, defendant WILLIAM A. NEAL falsely reported medical expenses and charitable contributions for J.S.G. and K.S.G., a person known to the grand jury, in the amount of \$10,595 and \$4,500, respectively, on Schedule A of their individual federal income tax return for calendar year 2005.
5. On or about April 15, 2006 defendant WILLIAM A. NEAL falsely reported unreimbursed employee expenses in the amount of \$4,125 for S.P., a person known to the grand jury, on Form 2106 of her individual federal income tax return for calendar year 2005.

6. On or about April 15, 2006 defendant WILLIAM A. NEAL falsely reported charitable contributions in the amount of \$4,500 by S.P and J.P., a person known to the grand jury, on Schedule A of their individual federal income tax return for calendar year 2005.

7. On or about March 12, 2007, O.N. falsely entered an education credit in the amount of \$1,650 for N.N., a person known to the grand jury, on Form 1040 of her individual federal income tax return for calendar year 2006.

8. On or about March 12, 2007, O.N. falsely entered a tax preparation fee in the amount of \$150 for N.N. on Schedule A of her individual federal income tax return for calendar year 2006.

9. On or about March 12, 2007, O.N. falsely entered charitable contributions in the amount of \$2,000 for N.N. on Schedule A of her individual federal income tax return for calendar year 2006.

10. On or about March 12, 2007, O.N. falsely entered unreimbursed employee expenses in the amount of \$4,792 for N.N. on Form 2106 of her individual federal income tax return for calendar year 2006.

11. On or about April 15, 2007, defendant WILLIAM A. NEAL falsely reported charitable contributions in the amount of \$3,750 by K.R. and D.R. on Schedule A of their individual federal income tax return for calendar year 2006.

12. On or about April 15, 2007, defendant WILLIAM A. NEAL falsely reported unreimbursed employee expenses in the amount of \$4,592 for D.A., a person known to the grand jury, on Form 2106 of her individual federal income tax return for calendar year 2006.

13. On or about April 15, 2007, defendant WILLIAM A. NEAL falsely reported charitable contributions in the amount of \$3,206 for D.A. on Schedule A of her individual federal income tax return for calendar year 2006.

All in violation of Title 18, United States Code, Section 371.

**COUNT TWO**

**THE GRAND JURY FURTHER CHARGES THAT:**

On or about April 15, 2007, in Philadelphia, in the Eastern District of Pennsylvania, defendant

**WILLIAM A. NEAL**

willfully aided and assisted in, and advised the preparation and presentation, to the Internal Revenue Service, of Form 1040 (U.S. Individual Income Tax Return), Schedule A (Itemized Deductions), and Form 2106 (Employee Business Expenses) for D.A., a person known to the grand jury, for the calendar year 2006, which were false and fraudulent as to material matters, in that, defendant NEAL falsely reported unreimbursed employee expenses for D.A. in the amount of \$4,592, when in fact, as NEAL well knew, D.A. had no such expenses, and in that NEAL falsely reported charitable contributions in the amount of \$3,206, when in fact, as NEAL well knew, the correct amount of charitable contributions by D.A. was far lower.

In violation of Title 26, United States Code, Section 7206(2).

**COUNT THREE**

**THE GRAND JURY FURTHER CHARGES THAT:**

From on or about April 15, 2005 through on or about April 15, 2007, in Philadelphia, in the Eastern District of Pennsylvania, defendant

**WILLIAM A. NEAL**

willfully aided and assisted in, and advised the preparation and presentation, to the Internal Revenue Service, of Form 1040 (U.S. Individual Income Tax Return), Schedule A (Itemized Deductions), and Form 2106 (Employee Business Expenses) for K.R. and D.R., persons known to the grand jury, for the calendar years 2004 and 2006, which were false and fraudulent as to material matters, in that, defendant NEAL falsely reported unreimbursed employee expenses for D.R. in 2004 in the amount of \$2,292, when in fact, as NEAL well knew, D.R. had no such expenses in 2004, and in that NEAL falsely reported charitable contributions by K.R. and D.R. in 2004 and 2006 in the amounts of \$4,275 and \$3,750, respectively, when in fact, as NEAL well knew, the correct amount of charitable contributions by K.R. and D.R. was far less in those years.

In violation of Title 26, United States Code, Section 7206(2).

**COUNT FOUR**

**THE GRAND JURY FURTHER CHARGES THAT:**

On or about April 15, 2006, in Philadelphia, in the Eastern District of Pennsylvania, defendant

**WILLIAM A. NEAL**

willfully aided and assisted in, and advised the preparation and presentation, to the Internal Revenue Service, of Form 1040 (U.S. Individual Income Tax Return), Schedule A (Itemized Deductions), and Form 2106 (Employee Business Expenses) for J.S.G. and K.S.G., persons known to the grand jury, for the calendar year 2005, which were false and fraudulent as to material matters, in that, defendant NEAL falsely reported unreimbursed employee expenses for J.S.G. in the amount of \$4,362, when in fact, as NEAL well knew, J.S.G. had no such expenses in 2005, and in that NEAL falsely reported medical expenses for J.S.G. and K.S.G. in the amount of \$10,595, when in fact, as NEAL well knew, the correct amount of medical expenses for J.S.G. and K.S.G. was far less in 2005, and in that NEAL falsely reported charitable contributions by J.S.G. and K.S.G. in the amount of \$4,500, when in fact, as NEAL well knew, the correct amount of charitable contributions by J.S.G. and K.S.G. was far less in 2005.

In violation of Title 26, United States Code, Section 7206(2).

**COUNT FIVE**

**THE GRAND JURY FURTHER CHARGES THAT:**

On or about April 15, 2006, in Philadelphia, in the Eastern District of Pennsylvania, defendant

**WILLIAM A. NEAL**

willfully aided and assisted in, and advised the preparation and presentation, to the Internal Revenue Service, of Form 1040 (U.S. Individual Income Tax Return), Schedule A (Itemized Deductions), and Form 2106 (Employee Business Expenses) for S.P and J.P., persons known to the grand jury, for the calendar year 2005, which were false and fraudulent as to material matters, in that, defendant NEAL falsely reported unreimbursed employee expenses for S.P. in the amount of \$4,125, when in fact, as NEAL well knew, the correct amount of unreimbursed employee expenses for S.P. was far less, and in that NEAL falsely reported charitable contributions by S.P and J.P. in the amount of \$4,500, when in fact, as NEAL well knew, the correct amount of charitable contributions by S.P and J.P. was far less in 2005.

In violation of Title 26, United States Code, Section 7206(2).

**A TRUE BILL:**

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**GRAND JURY FOREPERSON**

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**ZANE DAVID MEMEGER  
UNITED STATES ATTORNEY**